



USAID Trade Project

Legal & Policy Gap Analysis for Economic Cooperation Organization- Transit Transport Framework Agreement

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Table of Contents

Abbreviations and Initialisms	1
Executive Summary	2
Introduction	3
Road Vehicles.....	3
Technical Requirement for Road Vehicles.....	4
Railways	5
Technical Characteristics of Railway Transport.....	6
Maritime Transportation Provisions	7
Customs Related Provisions	8
Institutional Arrangement	8
Dispute Settlement.....	9
Policy & Implementation Gaps	9
Ratification of International Conventions	9
Issuance of Visas	10
Security Provisions.....	11
Electronic Data Interchange (EDI) / Single Window (SW)	11
Movement of Perishable & Dangerous Goods.....	11
Trading Across Borders	12
Conclusion.....	12
Analysis of ECO-TTFA Substantive Provisions.....	14
Annex 1: Conventions in ECO-TTFA.....	23

List of Tables

Table 1: Axle Load & Laden Weights.....	4
Table 2: ECO-TTFA Members Maximum Permissible Loads	4
Table 3: Dimensions of Vehicle.....	5
Table 4: Parameters for Train, Speed, Length, Weight & Load.....	6
Table 5: ECO-TTFA Members Ratification to International Conventions	10
Table 6: Trading Across Borders by ECO-TTFA Member States.....	12

Abbreviations and Initialisms

Acronyms	Definitions
AGTC	European Agreement on International Combined Transport Lines and Related Installations
APTTA	Afghanistan-Pakistan Transit Trade Agreement
ASYCUDA	Automated System for Customs Data
BCP	Border Crossing Point
CAR	Central Asian Republic
CMR	International Carriage of Goods by Road
CoBx	Council of Bureaux
COTIF	Convention on International Carriage by Rail
ECO	Economic Cooperation Organization
ECOTA	ECO Trade Agreement
ECO-TTA	ECO Transit Trade Agreement
ECO-TTFA	ECO Transit Transport Framework Agreement
EDB	Engineering Development Board
EDI	Electronic Data Interchange
GoP	Government of Pakistan
HLWG	High Level Working Group
IWT	Inland Waterway Transport
NHMP	National Highways & Motorway Police
NICL	National Insurance Corporation Limited
NTCIP	National Trade Corridor Improvement Program
NTTFC	National Transport and Trade Facilitation Committee
OSJD	Organization for Cooperation between Railways
OTIF	Organization for International Carriage by Rail
PPW	Rules for Use of Wagons in International Traffic
RCD	Regional Cooperation for Development
RIC	Regolamento Internazionale Carrozze
RIV	Regolamento Internazionale Vagoni
SAD	Single Administrative Document
SECP	Security and Exchange Commission of Pakistan
SMGS	International Carriage of Goods
SMPO	Agreement on International Carriage of Passenger
SPS	Sanitary & Phyto-Sanitary Measures
SW	Single Window
TIR	Transports Internationaux Routiers or International Road Transport
TTCC	Transit Transport Co-ordination Council
UAIS	Unified Automated Information System
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
WeBOC	Web Based One Customs

Executive Summary

The Economic Cooperation Organization (ECO) was established in 1985 by Pakistan, Iran, and Turkey as a trilateral organization to promote regional cooperation, and was later expanded in 1992 to include seven new members, namely the Islamic Republic of Afghanistan, the Republic of Azerbaijan, the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan, Turkmenistan, and the Republic of Uzbekistan.¹

ECO has taken a number of initiatives to facilitate regional integration. These include the ECO Transit Trade Agreement (ECO-TTA), ECO Transit Transport Framework Agreement (ECO-TTFA), and ECO Trade Agreement (ECOTA). These Agreements create complementarities between the Contracting Parties to realize the economic and trade potential of the region.

The ECO-TTFA was signed at Almaty, Kazakhstan on May 9, 1998 with the objective to facilitate movement of goods, passengers, and transport units among ECO member states. Nine ECO member states – all except Uzbekistan – are signatory to the Agreement, and all signatories, with the exception of Turkmenistan, have ratified the Agreement. The ECO-TTFA came into force on May 19, 2006 after six ECO member states deposited Instruments of Ratification with the ECO Secretariat. The Agreement mandates the Contracting Parties to simplify and harmonize customs procedures on transport units, goods, luggage, and passengers transiting through their territories. ECO-TTFA relies on various international conventions to provide frameworks for facilitating traffic in transit.

- The Agreement uses International Road Transport or *Transports Internationaux Routiers* (TIR) Carnets as principal security instruments for transit consignments and requires the Contracting Parties to accede to the TIR Convention. The TIR Convention establishes an international customs transit system which facilitates traffic in transit through the territory of the Contracting Parties.
- For road traffic regulations, the Agreement relies on the Convention of Road Traffic, 1968. Other conventions included in the Agreement are the International Carriage of Goods by Road (CMR) May 19, 1956 and the protocol to this Convention (Geneva, July 5, 1978), the Facilitative Convention on International Maritime Traffic (1967), and the Convention on Road Signs and Signals (1968).
- To facilitate traffic in transit through international maritime, Contracting Parties with seaports within their territorial jurisdiction are required to provide necessary port facilities to other Contracting Parties. The cost of this service to other Contracting Parties should be non-discriminatory and should not exceed what is being paid by other domestic and foreign users of these facilities.
- ECO-TTFA encourages the respective railway administrations of the Contracting Parties to conclude inter-railway agreements to facilitate movement of goods through rail transport. The Agreement also requires the Contracting Parties to establish border stations and interchange stations on the railway lines connecting their territories.

The successful implementation of ECO-TTFA requires accession to the TIR Convention by the Contracting Parties. Pakistan has not yet acceded to the Convention. The Government of Pakistan (GoP)

¹ "Sustainable socio-economic development for people of the region," Economic Cooperation Organization, <http://www.ecosecretariat.org/in2.htm> (accessed May 19, 2014)

should consider early accession to the TIR Convention to benefit from the opportunities offered by ECO-TTFA to connect with other Contracting Parties through multimodal transport linkages.

Introduction

This report highlights the salient features of ECO-TTFA including technical requirements for multimodal transport and customs clearance procedures. The report describes, in detail, the major modes of transport including road, rail, and maritime (sea) followed by a discussion of related customs provisions, transit transport coordination, and dispute settlement. The report also includes analysis of the key provisions of the Agreement, describing the current implementation status and recommending possible solutions to address any shortcomings.

ECO is an inter-governmental regional organization established in 1985 by Iran, Pakistan, and Turkey for the purpose of promoting economic, technical, and cultural cooperation. ECO is the successor organization of the Regional Cooperation for Development (RCD, 1964-1979). In 1992, the organization was expanded to include seven additional members: Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.² ECO has taken many steps to improve regional connectivity among member states including ECOTA, ECO-TTA, the Trade and Development Bank Agreement, Visa Simplification Agreement for Businessmen, the ECO Air Agreement, and ECO-TTFA, the Transit Transport Framework Agreement between ECO member states.

ECO-TTFA was finalized at Almaty on May 9, 1998 among ECO member states. Of the ten ECO member states, nine (except Uzbekistan) are signatory to this Agreement and eight Contracting Parties (except Turkmenistan) have ratified the Agreement. ECO-TTFA first came into force on May 19, 2006 when six contracting parties submitted Instruments of Ratification with the ECO Secretariat.

The objectives of the Agreement are to facilitate movement of goods and passengers, ensuring their safety, and avoiding unnecessary delays during the transit traffic. The Agreement also provisions for cooperation and coordination of efforts to avoid customs fraud and tax evasion, and aims to harmonize necessary administrative affairs dealing with transit traffic.

To facilitate transit traffic for vessels and crew in inland waterways, the Agreement requires adequate and non-discriminatory navigation aids, and necessary port facilities.

ECO-TTFA is a comprehensive document with eight protocols dealing with various aspects of facilitating traffic in transit through road, rail, and sea.

Road Vehicles

For road traffic regulations, the Agreement relies on the Convention of Road Traffic, 1968. Other conventions included in the Agreement are CMR, 1956 and the protocol to this Convention (Geneva, 1978), and the Convention on Road Signs and Signals (1968).

For drivers of vehicles engaged in international transit transport operations, multiple entry and transit visas are issued for one year “with a right of staying on the territory of each Contracting Party for 15 days in transit for each trip.”³ Drivers engaged in transit operation should also possess a recognized international driving license. The carriers also need to provide a road worthiness certificate to ensure that vehicles comply with technical requirements as per international regulations. Transport companies are

² ECO Secretariat Official Website “ECO Secretariat” <http://www.ecosecretariat.org/in2.htm> (accessed May 22, 2014)

³ ECO Transit Transport Framework Agreement between the ECO member states (ECO-TTFA), Legal Text, pg. 9

also permitted to establish a commercial presence in the Contracting Parties in accordance with each country's respective domestic regulations.

With the exception of CMR, Pakistan is fully compliant with the other provisions related to road transport under this Agreement. Pakistan has ratified the convention on Road Signs and Signals (1968). Pakistan has not yet ratified the CMR of May 19, 1956 and the protocol to this Convention (Geneva, July 5, 1978,); however it has developed the Carriage of Goods by Road Bill, 2010 which has provisions for domestic carriage. The bill is pending with the Parliament for approval and once the Bill is approved, it may provide a foundation for Pakistan's future accession to CMR.

Technical Requirement for Road Vehicles

The Agreement allows the transit of vehicles that fulfill the technical requirements applied in territories of other Contracting Parties. The vehicles should be registered and must possess a certificate of fitness issued by the competent authority in the country of registration. The vehicle in transit must meet the technical requirements provided in Annex 2 to the Customs Convention on the International Transport of Goods Under Cover of TIR Carnets, 1975 (TIR Convention). The maximum permissible axle loads in Contracting Parties' territories are presented in the following table:

Table 1: Axle Load & Laden Weights

Maximum Axle Loads and Laden Weights		
	At Present	Target of Future
a) For single axles	6-12 tons	10-13 tons
b) For tandem axles	10-22.5 tons	16.5-20 tons
c) For triple axles	13-33 tons	20-30 tons
d) Laden Weight	36-40 tons	40-42 tons
<i>Source: Annex 2, to the Customs Convention on the International Transport of Goods Under Cover of TIR Carnets, 1975</i>		

The maximum permissible axle loads applied in territories of Contracting Parties follow:

Table 2: ECO-TTFA Members Maximum Permissible Loads

No	Contracting Parties	Maximum Permissible Loads			Maximum Permissible Laden Weight
		For Single Axles	For Tandem Axles	For Triple Axles	
1	Afghanistan	10.0	16.0	22.0	36.0
2	Azerbaijan	10.0	16.0	22.0	36.0
3	Iran	13.0	20.0	26.0	40.0
4	Kazakhstan	8.0	13.2	18.8	36.0
5	Kyrgyzstan	10.0	16.0	22.0	36.0
6	Pakistan	12.0	22.5	33.0	40.0
7	Tajikistan	8.0	14.0	22.0	36.0
8	Turkey	10.0	16.0	22.0	40.0
9	Turkmenistan	6.0	10.0	13.0	36.0
10	Uzbekistan	8.0	16.0	24.0	40.0
<i>Source: Annex 4 of ECO-TTFA Agreement</i>					

The maximum dimension of the vehicle used for carriage of goods should not exceed the following:

Table 3: Dimensions of Vehicle

Vehicle used for Carriage of Goods under ECO-TTFA		
Dimensions	At Present	Target for future
Width	2.50m (In Pakistan it is 2.75m)	2.50m
Height	4m	4m - 4.50m
Lengths		
a) Rigid chassis vehicles	11-12 m	-- ⁴
b) Articulate Vehicles	17.4m	--
c) Truck and drawbar trailer combination	18m-20m	24m
<i>Source: Annex 2, to the Customs Convention on the International Transport of Goods Under Cover of TIR Carnets, 1975</i>		

Pakistan does not have an adequate system in place to regulate axle load management. This is due in part to overlapping responsibilities between federal, provincial, and local authorities. The administration of “Axle Overload Control System” on national highways lies with the National Highways & Motorway Police (NHMP) in Pakistan. Responsibility for other roads is regulated by provincial and local authorities, which lack adequate resources to manage load and other standards for freight transport. One of the major factors of overloading in Pakistan is the illegal modification of trucks in the local markets. These adjustments to the vehicles lead to undermining safety standards and overloading that in turn deteriorates the road infrastructure, and increases transit time.

Railways

ECO-TTFA encourages the respective railway administrations of the Contracting Parties to conclude inter-railway agreements to facilitate movement of goods through rail transport. The Agreement requires the Contracting Parties to establish border stations and interchange stations on the railway lines connecting their territories. The Agreement allows Contracting Parties to conclude inter-railway arrangements according to the framework of the Organization for Cooperation between Railways (OSJD), Regolamento Internazionale Vagoni (RIV)⁵, Regolamento Internazionale Carrozze (RIC),^{6,7} and Rules for Use of Wagons in International Traffic (PPW).

The Agreement also envisages formulating rules and harmonizing procedures for international rail passenger and freight traffic keeping in view provisions of the Agreement on International Carriage of Passenger (SMPO) as well as the agreements on International Carriage of Goods (SMGS), Convention concerning International Carriage by Rail (COTIF, May 1980) / Uniform Rules Concerning the Contract of International Carriage of Goods by Rail (CIM), Uniform Rules Concerning the Contract of International Carriage of Passenger by Rail (CIV), and within the framework of OSJD and International Union of Railways (UIC).

For safety and quality of transit services on railway lines at interchange stations, as designated under the Agreement, the railway authorities of the respective countries are required to ensure the application of

⁴ -- is not known

⁵ Regulations governing the international exchange of railway freight wagons

⁶ European railway treaty in 1922 (regulations governing the international exchange of railway Passenger Wagons)

⁷ The RIV and RIC-System are agreements/international rules between Railway Undertakings for cross acceptance of freight wagons and passenger wagons.

international technical standards of the European Agreement on International Combined Transport Lines and Related Installations (AGTC) of February 1, 1991.

Pakistan has not yet acceded to or ratified conventions on OSJD, SMGS, COTIF, or any other convention relating to railways stipulated under ECO-TTFA. In 2012, Pakistan's Cabinet approved a proposal from the Ministry of Railways to become a member of the Organization for International Carriage by Rail (OTIF); however, the accession process is not yet complete.

Technical Characteristics of Railway Transport

Annex III of the ECO-TTFA determines the technical characteristics for railway transport. The characteristics are based on the Agreement on Organizational Aspects of Combined Transport Services between Europe and Asia, concluded in 1997 under the auspices of the Organization for Cooperation between Railways (OSZhD).

The Agreement encourages Contracting Parties to efficiently handle consignments at terminals; unloading should not exceed one hour, and the exchange of wagon groups and border crossing stops should not exceed 180 minutes. The Agreement prescribes the minimum standard for railways used for transit traffic as shown in Table 4.

Table 4: Parameters for Train, Speed, Length, Weight & Load

Minimum parameters	At present	Prescribed Target
Speed	60-90 kilometer(km)/hour	90-100/100-120 km/hour
Length of Train	365-850 meters	750-850 meters
Weight of Train	600-3200 tons	1,500-3,200 tons
Load per Axle	20 tons	22.5/20 tons
<i>Source: Annex 3, Customs Convention on the International Transport of Goods Under Cover of TIR Carnets, 1975</i>		

Only Indian Gauge railway lines are operational in Pakistan, and they do not meet the standard international gauges for tracks of ECO-TTFA Contracting Parties. Until recently, Pakistan Railways operated three gauges for lines in its railways network including the 5 foot 6 inch (1,676 mm) Broad Gauge or Indian Gauge, the 3 foot 3 ³/₈ inch (1,000 mm) Meter Gauge, and the 2 foot 6 inch (762 mm) Narrow Gauge, but at present only the Broad Gauge tracks are operational. The axle load limit prescribed by Pakistan Railways is 22.86 tons - with the exception of the Rohri-Quetta & Quetta-Chaman railway where the axle load limit is 17.78 tons and the Spezand-Zahedan railway line where the axle load limit is 17.27 tons.

Currently, there is no direct railway link between Pakistan and Afghanistan. Afghanistan has, however, opened its first 75 km railway link from Hiaratan to Mazar-e-Sharif, constructed in 2010. Afghanistan has adopted the Standard Gauge - 1,435 mm (4 foot 8 ¹/₂ inch), which is similar to the rail track in Iran and China. The rail gauge operational in the Central Asian Republics (CARs) is the traditional Russian Gauge - 1,520 mm (4 foot 11 ²⁷/₃₂ inch). Due to the three types of rail gauges operational (Broad/Indian Gauge, Standard Gauge, and Russian Gauge) within the region, transfer of goods between Contracting Parties requires addressing the issue of harmonizing the use of rail gauges in the respective territories.

Between Iran and Pakistan, a 5 foot 6 inch (1,676 mm) Indian Gauge railway line runs from Quetta to Zahedan; a 4 foot 8.5 inch (1,435 mm) Standard Gauge line is now completed from Zahedan to Kerman in central Iran and links to the rest of the Iranian rail network. The rail that begins at Zahedan and continues through Turkey operates on the 4 foot 8.5 inch (1,435 mm) Standard Gauge tracks operated by Iran Railways, while Pakistan Railway's Indian Gauge tracks originate in Pakistan and connect with Iran Rail at Zahedan.

To increase cargo transportation by train on the designated routes/stations and to ensure that transit is carried out within an acceptable delivery time and schedule of operating days, a High Level Working Group (HLWG) of Pakistan-Iran-Turkey officials was formed in 2012. The HLWG conducted a feasibility assessment of the technical operations and customs clearance procedures at designated border crossing points located for an ECO Container Train on the Islamabad-Tehran-Istanbul route.

The main impediments identified were:

- Poor condition of railway track from Quetta to Taftan which limited the speed of trains to 25 km per hour
- Security issues in the area
- Absence of a single, consistent declaration form
- Absence of a guarantee mechanism
- Inconsistent sealing and fastening mechanism for containers
- Long delays due to customs clearance procedures at designated stations

According to the ECO Secretariat's findings, travel time in Pakistan can be reduced to three days and transit time in Turkey can be shortened from 6 days to 3.5 days if the Contracting Parties are able to address these impediments. Despite these limitations, the movement of goods by train is still more cost effective than road travel, and is only marginally more expensive than sea travel. The study determined that shipping a 40 foot container from Islamabad to Istanbul by road is the most expensive transportation mode and costs USD 5,500 per container. Transportation by sea costs USD 3,250 for a 40 foot container and USD 2,500 for a 20 foot container. The price differential between sea and rail freight is not significant, but time taken to transport by rail is significantly shorter. With adequate infrastructure and regulatory improvements in the railway sector of the three countries, it is possible that the rail option will become even more attractive and further stimulate inter-regional trade.⁸

Maritime Transportation Provisions

The Agreement relies on the Facilitative Convention on International Maritime Traffic (1967) for maritime traffic regulations. Documentation required for the clearance of ships' papers and vessels on the designated inland water routes must be harmonized according to the International Convention on Maritime Traffic (1967). To ensure free and open transit traffic for vessels and crew in inland waterways, the Agreement requires adequate and non-discriminatory navigation aids and necessary port facilities.

Currently, there is little or no freight movement on inland waterways in Pakistan. Pakistan has a vast network of over 30,000 km of rivers and perennial canals that could be efficiently utilized to transport freight at a competitive cost and environmentally friendly manner. The provincial government of Punjab is currently planning to introduce a pilot project in the upper reaches of River Indus and the main canal network that will initially target agricultural products and other bulk freight that is not time sensitive. The

⁸ "Pak Turkey Trade Gul Train," Economic Review (March 2003), <http://www.economic-review.com.pk/march-2013/pak-turkey-trade-gul-train> (accessed April 22, 2014)

eventual objective is to extend the Inland Waterway Transport (IWT) navigable network to the country's seaports in order to facilitate international trade.

Customs Related Provisions

Transit motor vehicles are exempted from customs duties, taxes, and other charges by ECO-TTFA. Each Contracting Party is required to establish a Customs Transit System for cargo and a means of transport in accordance with the relevant International Customs Conventions. The Contracting Parties that are also parties to the TIR Convention, 1975 are required to apply the provisions of that Convention. The member states that are not yet Contracting Parties to the TIR Convention, 1975 are encouraged to accede to the Convention. The ECO-TTFA mandates that parties must simplify and harmonize customs procedures on transport units, goods, luggage, and passengers transiting through their respective territories.

Contracting Parties shipping goods by any mode of transport in international traffic are required to file a goods declaration. TIR Carnets are used as goods declarations when the traffic in transit is carried pursuant to the TIR Convention, 1975. ECO-TTFA endorses the use of national goods declarations and consignment notes for Contracting Parties that are not signatories to the TIR Convention, 1975.

Customs officials are required to harmonize documents such as goods declarations for customs transit as well as customs seals and fastenings. For efficient clearance at land border stations, the establishment of joint border posts is encouraged.

Customs authorities are required to provide mutual administrative assistance during business working hours and ensure competence of the officials at the frontier. The Agreement mandates that customs authorities comply with regulations pertaining to standardized customs seals and fastening, and share Customs information between Contracting Parties.

Goods transported by non-sealable means are subject to customs examination at entry and exit points with a view to eliminating customs frauds and irregularities. Goods are accepted at temporary storage under cover of the accompanying commercial or transport document, cargo manifest, multimodal transport document, bill of lading, air way bill, or a goods declaration for customs transit. Priority customs clearance is granted only for perishable goods, live animals, and urgently needed goods.

Institutional Arrangement

The Contracting Parties have agreed to form the "Transit Transport Co-ordination Council (TTCC)" for monitoring, implementation, and coordination matters related to the transit of transport. The TTCC is composed of a chairman for national inter-ministerial committees for border-crossing facilitation and promotion of international transport, or high level representatives from the Contracting Parties dealing with transit transport. The TTCC also functions as an intermediary body for dispute settlement among the Contracting Parties.

The objectives and functions of the TTCC are:

- a) Study all matters related to cooperation of traffic in transit that the Contracting Parties agree to promote
- b) Seek ways to reach agreement among the Contracting Parties on matters related to the regional projects aimed at improving conditions of transit
- c) Formulate the general principles and provisions governing traffic in transit among the Contracting Parties
- d) Ensure uniform interpretation and application of provisions in the Agreement and its Annexes
- e) Consider adapting the Agreement to new needs and technological developments

- f) Cooperate with other international organizations dealing with transit transport matters

The chairmanship of TTCC and its auxiliary bodies rotate among Contracting Parties on an annual basis. The five technical committees on road, railway, insurance, transit trade, and legal issues have convened several meetings and shown good progress in implementing the ECO-TTFA. Any decision by TTCC is taken by consensus among the Contracting Parties.

Dispute Settlement

ECO-TTFA has instituted a built-in dispute settlement mechanism among the Contracting Parties. The Agreement stipulates that the Contracting Parties will form a TTCC for monitoring, implementation and co-ordination of transit transport issues. If any dispute, controversy, or claim between Contracting Parties is not settled through consultation between the parties then it can be referred to the TTCC by any of the Contracting Parties involved in the dispute. In case no agreement is reached through intermediation by TTCC, the Contracting Parties can request the TTCC for an arbitration proceeding. The decision of the appointed arbitrators will be final and binding on the concerned Contracting Parties.

The Agreement also allows concerned Contracting Parties in dispute to request the President of the International Court of Justice for an appointment of arbitrators. The arbitrators should not be nationals of any Contracting Parties and should make a decision in accordance with the Rules of Arbitration of the United Nations Commission on International Trade Law (UNCITRAL), 1976.

Policy & Implementation Gaps

This section highlights major implementation gaps in the ECO-TTFA. The section also provides policy inputs on the operational issues faced in the implementation of ECO-TTFA. The inputs are based on the examination of the provisions of the Agreement and analysis of key impediments in its application:

Ratification of International Conventions

The ECO-TTFA relies on international conventions and European standards in facilitating traffic in transit, and requires Contracting Parties to implement these conventions. The table below shows the year of accession or the position of non-accession for Pakistan and each of the Contracting Parties on international conventions provided in the ECO-TTFA. All ECO member states, except Pakistan, have acceded to the TIR Convention. It would be beneficial for Pakistan to accede to the TIR Convention and expedite accession to other relevant conventions provisioned in the Agreement.

Table 5: ECO-TTFA Members Ratification to International Conventions

International Conventions	Pak	Iran	Turkey	Azerb	Afghan	Tajik	Kyrgyz	Kazak	Turkmen	Uzbek
International Carriage of Goods by Road (CMR) of May 19, 1956 and the protocol to this Convention (Geneva, 5 July, 1978) ⁹	-	1998	1995	-	-	1996	1998	-	1996	1996
Convention on Road Traffic, of November 8, 1968 ¹⁰	1986	1968	2013	2002	-	1994	2006	1994	1993	1995
Convention on Road Signs and Signals, of November 8, 1968 ¹¹	1980	1976	-	2011	-	1994	2006	1994	1993	1995
Customs Convention on International Transport of Goods Under Cover of TIR Carnets (TIR Convention), of November 14, 1975 ¹²	-	1984	1984	1996	1982	1996	1998	1995	1996	1995
Convention on International Maritime Traffic (1967) ¹³	-	1995	-	-	-	-	-	-	-	-
Convention on International Carriage by Rail (COTIF) ¹⁴	2011	2011	2011	-	-	-	-	-	-	-

Brief descriptions of the International Conventions provisioned in ECO-TTFA are presented in Annex 1 of the report.

Issuance of Visas

Under the Agreement, Contracting Parties are required to grant visas to drivers and persons engaged in international transit traffic operations. Multiple entry visas are to be issued for a validity of one year with the right to stay in the territory of each Contracting Party for 15 days during transit for each trip.

To date, Iran, Tajikistan, Pakistan, and Turkey have nominated entities authorized to endorse visa applications for drivers of vehicles and persons engaged in international transport through issuing introductory letters. Other Member States have been requested to nominate relevant authorizing bodies. Iran has prepared the draft ECO Common Visa Sticker for drivers and other persons involved in transit transport and a request has also been made to the Iranian government to draft procedures and modalities

⁹ United Nations-Treaty Collection, legal text, Chapter XI, B, Pg. 11
https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XI-B-11&chapter=11&lang=en (accessed May 22, 2014)

¹⁰ United Nations Treaty Collection (2007), "List of contracting parties to the convention on Road Traffic,"
http://www.unecce.org/fileadmin/DAM/trans/conventn/CP_Vienna_convention.pdf (accessed May 22, 2014)

¹¹ United Nations-Treaty Collection, legal text, Chapter XI, B, Pg. 20,
https://treaties.un.org/Pages/ViewDetailsIII.aspx?src=TREATY&mtdsg_no=XI-B-20&chapter=11&Temp=mtdsg3&lang=en (accessed May 22, 2014)

¹² United Nations-Treaty Collection, legal text, Chapter XI, A, Pg. 16
https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XI-A-16&chapter=11&lang=en (accessed May 22, 2014)

¹³ Pacific Island Treaty Series, cited on May 26, 2014, http://www.pacii.org/pits/en/status_pages/1965-1.html

¹⁴ OTIF (cited on May 26, 2014), "Geographical scope of COTIF and its Appendices" <http://www.otif.org/en/about-otif/geografischer-anwendungsbereich-des-cotif-und-dessen-anhaenge.html> (accessed May 26, 2014)

for issuance of ECO Visas (ECO Secretariat 2011). There is, however, a need to expedite the modalities for issuing visas.

Security Provisions

The Agreement uses three separate provisions to address the safety and security of transiting goods and vehicles. These include the TIR Convention, International Green Card System, and navigation aids.

The ECO-TTFA uses the TIR Convention as the principal security for the transit of goods. The TIR Convention establishes an international customs transit system to facilitate traffic in transit through the territory of the Contracting Parties. Pakistan will need to expedite the process of acceding to the TIR Convention if plans for becoming a regional transportation hub are to be realized.

The Agreement obligates the Contracting Parties to take necessary steps to sign the “International Green Card System.” The International Green Card is a third-party insurance system to facilitate the free movement of vehicles across borders and to protect the interests of foreign registered vehicles. The system is currently used in Europe and its neighbors, where an international insurance certificate is issued, known as ‘Green Card’, by the Council of Bureaux (CoBx). Until all Contracting Parties accede to the international Green Card System, an interim motor vehicle third party liability insurance scheme is to be used. For this purpose, ECO-TTFA’s member countries are preparing to launch an interim vehicle third party liability insurance called the “White Card System.” The ECO-White Card is obtained by a registered motorist for temporary transit to a Contracting Party and is deemed to be valid for at least 15 days from the date of inception. Contracting Parties need to accelerate the use of an interim vehicle insurance system and take necessary steps to expedite the implementation of the Green Card System.

The Agreement requires the use of navigational aids; however, there is no comprehensive mechanism stipulated in the Agreement for implanting navigation aids on the multimodal transport transiting through territories of the Contracting Parties. Pakistan has implemented a real-time tracking system for Afghanistan’s transit trade covering the movement of Afghan import goods from Pakistani seaports to the exit border crossings at Torkham or Chaman. This system could be extended throughout the ECO region with a common tracking mechanism under the control of each country’s customs department.

Electronic Data Interchange (EDI) / Single Window (SW)

Development and harmonization of an EDI system is one of the major initiatives encouraged by the Agreement to be enforced by all Contracting Parties. Article 10 of the Agreement encourages prompt communication of information relating to Goods Declaration and information on authenticity of seals between the custom authorities of Contracting Parties. Currently, Pakistan has developed a Customs Management system known as WeBoC (Web Based One Customs). Iran and Afghanistan are using the Automated System for Customs Data (ASYCUDA) obtained from the United Nations Conference on Trade and Development (UNCTAD), and it is operational at all Border Crossing Points (BCPs). Tajikistan and Kyrgyzstan have installed a Unified Automated Information System (UAIS) to introduce a Single Administrative Document (SAD) system. Expedient implementation and harmonization of EDI among Contracting Parties will facilitate traffic in transit throughout the Central-South Asian region.

Movement of Perishable & Dangerous Goods

Article 10 of ECO-TTFA states, “Contracting Parties will provide all possible assistance in the event of a traffic accident involving transit of dangerous and perishable goods”; however, the ECO-TTFA does not have specific provisions for facilitating the movement of perishable goods. Similarly, the Agreement does not have any provisions for quarantine inspection or Sanitary & Phyto-Sanitary Measures (SPS), and

stipulates that the movement of dangerous goods is in accordance with the domestic legislation of Contracting Parties. The absence of this legislation will pose a significant technical challenge for Contracting Parties transiting perishable goods and live animals, and there is a need to streamline the procedures relating to movement of perishable and dangerous goods.

Trading Across Borders

As far as simplification and standardization of documents are concerned, all ECO countries have instituted reforms and made progress; however, with respect to the CARs and Afghanistan, there is still scope for further reduction in documents by following the examples of other ECO countries, including Turkey and Pakistan. The number of export/import documents required by the CARs and Afghanistan are high compared to Turkey, Iran, and Pakistan. Pakistan rates considerably better in terms of time to export/import and cost to export/import (USD per container) compared to the CARs and Afghanistan.

Table 6: Trading Across Borders by ECO-TTFA Member States

Economy Name	Rank	Documents to Export (number)	Time to Export (days)	Cost to Export (USD per container)	Documents to Import (number)	Time to Import (days)	Cost to Import (USD per container)
Turkey	86	7	13	990	8	14	1,235
Pakistan	91	8	21	660	8	18	725
Iran	153	7	25	1,470	10	37	2,100
Azerbaijan	168	9	28	3,540	11	25	3,560
Kyrgyzstan	182	9	63	4,360	11	75	5,150
Afghanistan	184	10	81	4,645	10	85	5,180
Kazakhstan	186	10	81	4,885	12	69	4,865
Tajikistan	188	12	71	8,650	12	72	10,250
Uzbekistan	189	12	79	4,785	14	95	5,235

Source: Trading Across Borders (World Bank) 2013

All ECO member countries need to focus on trade facilitation measures to help reduce the transactional costs of trade and transit.

Conclusion

ECO member states have developed the necessary framework to realize economic and trade potential, and promote regional integration. These initiatives include ECO-TTFA (1998), which facilitates the movement of transit traffic; ECO-TTA (1995), which facilitates the movement of goods within the region; and ECOTA (2003), which provides enhanced market access through preferential tariffs for goods originating from the Contracting Parties.

When ECO-TTFA was signed it was envisioned that the Agreement would facilitate regional integration through increased trade and transit. Although the Agreement has been in force since 2006, the private sector of Pakistan has not been able to benefit from market access opportunities. One of the main impediments is Pakistan's non-accession to the TIR Convention, which is one of the principal financial security instruments under ECO-TTFA. There is an urgent need for Pakistan to accede to the TIR Convention so that the private sector can access regional markets through the transit corridors.

The ECO-TTFA has provisions to facilitate traffic and transit through rail and road routes. The GoP may need to enhance rail and road infrastructure to improve connectivity throughout the region. The Contracting Parties also need to develop institutional arrangements to address operational challenges relating to the movement of goods through road and railway. Implementation of the Pakistan Trucking Policy would address the key issues relating to the logistics sector. Revitalization of railway services would also improve the competitiveness of Pakistan in catering to the trade needs of the ECO region.

The Customs-to-Customs exchange of information through EDI development would also help facilitate trade and transit in the region. The Contracting Parties need to establish a mechanism to develop a regional EDI network to integrate the customs clearance system. The Contracting Parties should also consider developing a regional single window to coordinate national single windows in their respective customs administrations to facilitate transit trade.

Analysis of ECO-TTFA Substantive Provisions

#	ECO-TTFA Substantive Provisions	Existing Situation	Gaps and Recommended Actions
1. General Provisions of the Agreement			
1.1	<p>Scope of Agreement: (Article 3)</p> <p>The provision of this agreement Shall apply to the traffic in transit which begins or terminates in a Contracting Party.</p> <ol style="list-style-type: none"> 1. To facilitate the movement of goods, luggage and passengers through the respective territories of the Contracting Parties and provide all necessary facilities for transit transport under the provisions of this Agreement. 2. To ensure the safety of goods, luggage and passengers and avoidance of unnecessary delays during the transit traffic through territories of Contracting Parties; 3. To cooperate and coordinate efforts of Contracting Parties to avoid the incidence of customs frauds and tax evasion and harmonizing necessary administrative affairs dealing with transit traffic. 	<p>Pakistan is a founding member of the ECO and has ratified the Agreement. Among the 10 ECO member countries Uzbekistan is not signatory to the ECO-TTFA, while Turkmenistan has signed, but has not yet ratified the Agreement.</p> <p>Pakistan has also signed bilateral and other regional transit and transport agreements with Afghanistan, Iran and Central Asia.</p>	<p>For effective implementation of the ECO-TTFA Pakistan would be required to accede to the TIR Convention</p>
1.2	<p>Designation of transit transport routes (Annex 6)</p> <p>Contracting Parties adopt prescribed road, rail and inland waterway routes as described in Annex I.</p> <p>Additional routes shall be notified by the transit transport coordination council (TTCC) from time to time.</p> <p>The minimum characteristics in construction or</p>	<p>The designated land and rail routes in ECO-TTFA provide Pakistan and South-Asian countries connectivity to Europe.</p> <p>For road transit Pakistan has designated the following border crossings under ECO-TTFA:</p> <ol style="list-style-type: none"> 1. Torkham and Chaman between Pakistan and Afghanistan 2. Taftan between Pakistan and Iran 	<p>During the 18th National Transport and Trade Facilitation Committee (NTTFC) meeting the Ministry of Communication proposed the inclusion of Afghanistan-Pakistan Transit Trade Agreement (APTTA) transit routes in the ECO-Road transit route map.</p> <p>To expand the railway network under ECO-TTFA, Pakistan's Ministry of Railways proposed</p>

#	ECO-TTFA Substantive Provisions	Existing Situation	Gaps and Recommended Actions
	reconstruction of roads, railways and internal waterways on the prescribed routes shall be set out in accordance with Annexes I & II.		planned railway routes from Gwadar to Quetta, Chaman to Kandhar and Torkham to Kabul be included in the ECO Railway Transit map during the next meeting of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). There is a need to expedite these recommendations.
2. Measures Related to Cross Border Movement of People			
2.1	Carriage of Passengers (Annex-VI, Section II) All registered international carriers of Contracting Parties ensure the following measures while carriage of passengers: <ol style="list-style-type: none"> 1. Passenger ticket 2. Luggage registration 3. Liability of injury for passengers 4. Liability for loss or damages to luggage 5. Amount of compensation for bodily injury of passenger 6. Amount of compensation for loss or damage of luggage 7. Compensation for legal and other costs 	Pakistan has not yet formulated any carriage of passenger legislation for transiting rail passengers. Pakistan does have a national aviation policy that explains conditions of carriage, baggage rules, passenger ticketing and reservation system and a compensation mechanism for air passengers. Pakistan has also devised the Custom Baggage Rule, 2006 for carriage of luggage. The Security and Exchange Commission of Pakistan (SECP) insurance division could develop a legal framework with respect to an insurance mechanism.	There is no concrete legal framework specific to rail passengers but there are other regulations to provide guidance for domestic regulation gaps. There is a need to coordinate regulatory oversight for various GoP stakeholders in rail and air passenger transportation.
3. Measures Related to Road, Railway & Inland Water Transport/Operator			
3.1	Commercial Presence (Article 11) Contracting Parties shall grant permission to transport companies engaged in transit services on their territories to establish offices for the purpose of operating such traffic. Establishment of such offices shall be in accordance with domestic legislation of the Contracting Parties.	Under Commercial Presence, Pakistan's Doha draft offer (2008) for Road Transport services takes account of some obligations with respect to trade in services in the following sub sectors: <ol style="list-style-type: none"> a. Passenger Transportation (CPC* 7121+7122) b. Freight Transportation (CPC 7123) c. Rental of Commercial vehicles with operators (CPC 7124) d. Maintenance and repair of road transport equipment (CPC 6112+ 8867) 	It is recommended that the Ministry of Commerce (Trade in Services wing) with the consent of respective stakeholders design a legal framework for transit trade.

#	ECO-TTFA Substantive Provisions	Existing Situation	Gaps and Recommended Actions
		<p>e. Supporting services for road transport services (CPC 744)</p> <p>For all the above CPCs Pakistan's proposed Doha commitments under four Modes¹⁵ of Supply¹⁶ are almost the same, which state that:</p> <p>Limitation on Market Access:</p> <p>Mode 1: None</p> <p>Mode 2: None</p> <p>Mode 3: None, except 70% maximum foreign equity participation required</p> <p>Mode 4: Unbound except as indicated in the horizontal commitments</p> <p>Limitation on National Treatment:</p> <p>Mode 1: None</p> <p>Mode 2: None</p> <p>Mode 3: None, except</p> <p>a) Subject to rules and regulations applicable to foreign entities</p> <p>b) Minimum investment USD 0.30 million</p> <p>Mode 4: Unbound except as indicated in the horizontal commitments</p> <p>Furthermore, Modes 1,2,3,and 4 are unbound for subsidies</p> <p>Pakistan has also devised some regulations for freight forwarders, such as the <i>Recommended Minimum Qualification Standard for Freight Forwarders</i>.¹⁷ Article 4 of this regulation deals with commercial presence, stating: The freight forwarder needs to:</p> <p>a. Maintain and operate at least one office</p>	

¹⁵ Mode 1: cross border supply, Mode 2: Consumption Abroad, Mode 3: Commercial Presence and Mode 4: Presence of Natural persons

¹⁶ Pakistan's Doha Commitments for Transport Services, 2008.

¹⁷ NTTFC, "Recommended Minimum Qualification Standard for Freight Forwarders" Legal text, <http://www.nttfc.org/qualstandard.asp> (accessed May 25, 2014)

#	ECO-TTFA Substantive Provisions	Existing Situation	Gaps and Recommended Actions
		<p>b. Have adequate insurance to cover its liability for loss of or damage to an exporter/importer's cargo</p> <p>c. The Contracting Parties' transport company should be registered under the companies' ordinance of 1984</p> <p>*CPC stands for Central Product Classification which is used to classify various sectors and sub-sectors of services.</p>	
3.2	<p>Multiple Entry and Transit Visa (Article 12)</p> <p>Contracting Parties shall grant visas to the drivers of the vehicles and persons engaged in international transit traffic operations who are subject to visa requirements providing multiple entry and transit visas valid for a period of one year with a right of staying on the territory of each Contracting Party for 15 days in transit for each trip and for up to 5 more days at the place of loading and discharge.</p> <p>In case of illness or injury of persons, accident or damage to vehicles, the period of stay shall be extended correspondingly.</p>	Iran, Tajikistan, Pakistan, and Turkey have nominated the authorized bodies to endorse visa applications for drivers of vehicles and persons engaged in international transport through issuing introductory letters.	The Contracting Parties should devise a mechanism for implementing the ECO common visa sticker for drivers
3.3	<p>Maritime Ports and Facilities (Article 13)</p> <p>Contracting Parties with sea ports undertake to provide the necessary port facilities and services to other Contracting Parties at ports open to foreign vessels at costs and conditions which shall not exceed the standard charges and fees paid by other foreign users of the port facilities.</p>	<p>Under the NTTFC Pakistan has drafted multiple national regulations¹⁸ on transit carriage, such as:</p> <ol style="list-style-type: none"> 1. Carriage of Goods by Sea Act/Bill 2010 2. Sea Carriage Shipping Document Bill 2010 	<p>Pakistan has drafted Carriage of Goods by Road Act/Bill 2011 that deals with domestic liability for goods transport; it has not yet been approved or enacted.</p> <p>As the Government of Pakistan enters into bilateral and multilateral road transport agreements with neighboring countries it has become necessary for Pakistan to align these bills with respect to international regulations and conventions.</p>
3.4	<p>Traffic Regulations (Article 14)</p> <p>Contracting Parties shall take appropriate</p>	Pakistan has already acceded to the Convention on Road	The Ministry of Communications needs to

¹⁸ NTTFC, PIFFA "Standard Trading Conditions for Freight Forwarders," legal text (January 2005), <http://www.nttfc.org/standardTradingCon.asp#> (accessed May 25, 2014)

#	ECO-TTFA Substantive Provisions	Existing Situation	Gaps and Recommended Actions
	measures to ensure that road traffic regulations in force in their territories conform in substance to the provisions of the Convention on Road Traffic, 1968 and the Convention on Road Signs and Signals, 1968.	Traffic, 1968 and the Convention on Road Signs and Signals, 1968.	coordinate with the provincial governments to enforce the provisions of the Convention on Road Signs and Signals, 1968.
3.5	Road Transport Permits & Quota (Article 15) Where road transport permits are prescribed as a condition for carriage of goods, passengers, and luggage in transit traffic, such permits shall be issued in accordance with domestic legislation. Contracting Parties shall harmonize and facilitate the requirements necessary for the issuance of road transport permits for carriage of goods, passengers, and luggage in transit traffic without any limitation and quota.	The Ministry of Communications is the designated authority for the issuance of permits.	Contracting Parties need to devise a mechanism for transparent implementation of transport permits to service providers.
3.6	Technical Requirements of Vehicles (Article 18) Means of transport used in road transit transport shall conform to the technical requirements regarding vehicle dimensions, maximum total weights with loads, axle load and other parameters as mentioned in Annex IV.	In accordance with the National Highway Safety Ordinance 2000, "Axle Overload Control Regime" is to be strictly implemented by NH&MP, which has a mandate to control overloading and avoid road damages. Implementation of permissible load limits as defined in Annex-I of the road freight strategy by the Engineering Development Board (EDB) is authorized for NHA to enforce.	The Ministry of Communications or NH&MP need to be consulted and requested to coordinate for more effective implementation of regulatory measures.
3.7	Mutual Recognition of Driving License & Certificate of Road Worthiness of Vehicle (Article 20 & 21) Contracting Parties shall recognize driving licenses and certificate of road worthiness for	Pakistan acceded to the Vienna Convention on Road Traffic (1968) on March 19, 1986. ¹⁹ Pakistan has formulated the National Trucking Policy ²⁰ under the National Trade Corridor Improvement Program (NTCIP) ²¹	Provide training to transport operators on complying with the Vienna Convention on Road Traffic.

¹⁹ United Nations Treaty Collection (2007), "List of contracting parties to the convention on Road Traffic," http://www.unece.org/fileadmin/DAM/trans/conventn/CP_Vienna_convention.pdf (accessed May 19, 2014)

²⁰ Ministry of Industries & Production, MOIP (2010), "Draft Report on Pakistan's Trucking Policy" legal text, <http://www.moip.gov.pk/truckingPolicy.htm> (accessed May 26, 2014)

#	ECO-TTFA Substantive Provisions	Existing Situation	Gaps and Recommended Actions
	vehicles issued by other Contracting Parties which are valid for the category of vehicle used in transit traffic and correspond to the Convention on Road Traffic, 1968.	<p>of the GoP. The policy emphasizes modernizing and strengthening of Trade and Transport Logistics in Pakistan. The framework to improve the North–South Corridor takes a holistic and integrated approach to reduce costs of doing business in Pakistan by improving the trade and logistics chain and bringing it to international standards. The policy provides domestic legislation for:</p> <ul style="list-style-type: none"> • Motor Vehicle Registration • Motor Vehicle Examination Axle load management • Drivers training and re-training licensing and re-licensing • Trans-freight stations and modern cargo handling facilities • Trailer manufacturing and registration • National standards and specifications for trucks and trailers • Industrial estates for truck/ bus body makers 	It is recommended that the new Trucking Policy, still under consideration with the GoP, be finalized.
3.8	<p>Motor Vehicle Third Party Liability Insurance Scheme (Article 22)</p> <p>The Contracting Parties shall take steps necessary for the insurance of motor vehicles to cover third party liability incurred in the course of transit traffic;</p> <p>Contracting Parties undertake to establish the international compulsory motor vehicle third party liability insurance scheme as specified in Annex V.</p> <p>The international compulsory motor vehicle third party liability insurance scheme shall provide at least all the guarantees required by the laws and regulations governing compulsory</p>	<p>Pakistan has already communicated to the ECO Secretariat its intention to adopt the White Card scheme.</p> <p>National Insurance Corporation Limited (NICL) has already introduced the “White Card Scheme” in Pakistan among stakeholders, including the Quetta Chamber of Commerce and Industry and the Karachi Chamber of Commerce and Industry.</p>	<p>During the 18th NTTFC meeting the NICL was designated as an official authority to provide third party liability insurance facility to ECO member states. NICL is promoting adaptation of the ECO White Card Scheme among the member states of ECO-TTFA and signatories to the ECO-White Card Scheme.</p> <p>NICL also requires statistics regarding road traffic of commercial vehicles between Pakistan and Iran to determine insurance premiums.</p>

²¹ Ministry of Industries & Production, MOIP, 2010, “Message from Minister for Industries, Production & Special Initiatives,” <http://www.engineeringpakistan.com/EngPak1/trucking/MESSAGEMINISTER.pdf> (accessed May 26, 2014)

#	ECO-TTFA Substantive Provisions	Existing Situation	Gaps and Recommended Actions
	motor vehicle third party insurance in the country or countries of transit and destination.		
3.9	<p>General Conditions for Rail Transport (Article 24)</p> <p>Transit services on railway lines connecting the territories of the Contracting Parties shall be performed at interchange stations designated by Agreements concluded between contiguous Railway Administrations.</p> <p>Contracting Parties shall formulate rules and procedures for international rail passenger and freight traffic keeping in view the provisions of the SMPO as well as the SMGS, COTIF/CIM, CIV, and within the framework of OSJD and UIC.</p>	<p>Pakistan is not a signatory to the COTIF.</p> <p>Pakistan needs to harmonize its railway gauge network according to international standards. In Pakistan, the railway network is based on the Indian Gauge system, whereas ECO-TTFA requires the parties to implement the international standard railway gauge system. This may hamper transit of cargo via the railway network.</p>	<p>It is recommended that Pakistan accede to the COTIF. This requires Pakistan to become a member of the OTIF. Pakistan's Cabinet has given approval to Pakistan Railways to become a member of OTIF.²² Adapting the COTIF will enable Pakistan to improve the railway's technical standards and modify rules and regulations for the smooth operation of international rail transport to Iran and Turkey.</p>
4. Measures Related to Customs			
4.1	<p>One Stop-Joint Border Custom Clearance (Article 9, a)</p> <p>To ensure the smooth and expeditious movement of traffic in transit the Contracting Parties undertake to make efforts to:</p> <ul style="list-style-type: none"> a) Establish posts at designated frontier points with control areas which are physically adjacent and arranged in such a way that means of transport and goods can be examined at the same place, so that repeated unloading and reloading may be avoided b) Ascertain that adequate manpower is made available for the speedy 	<p>Land border stations designated under this Agreement for traffic in transit do not have adequate resources to manage the increasing volume of trade and transit.</p>	<p>There is a strong need for GoP to allocate resources to upgrade the land border stations into integrated customs terminals.</p>

²² NTTFC, Meeting of Cabinet held on May 23, 2012

#	ECO-TTFA Substantive Provisions	Existing Situation	Gaps and Recommended Actions
	completion of frontier formalities		
4.2	Customs Duties, Taxes and other Levies and Charges (Article 5 & 23) Traffic in transit by motor vehicles shall be exempt from customs duties, taxes, and other charges except charges for the specific services rendered in accordance with the domestic legislation including toll taxes, road maintenance fees, etc.	Import policy order 2012-15, Article 12 defines temporary imports allowed under sub-categories (k and l) against submission of bank guarantees to ensure re-export of the same within the specified period. (k) shipping containers for transportation of cargo; (l) trucks and cargo transport vehicles registered in foreign countries carrying imported cargo through border customs stations provided that there is a bilateral or multilateral agreement on a reciprocity basis between Pakistan and the foreign country to which those vehicles belong	Pakistan needs to accede to the TIR Convention which is the principal financial security instrument under the Agreement.
4.3	Simplification, Consolidation and Harmonization of Customs Procedures and Alignment of Documentation (Article 29, 30, 31, 32) The Contracting Parties will take measures to simplify Customs control of transport, goods, luggage and passengers passing through their territories in accordance with the provisions of the Annexure VII.	To reduce the cumbersome Customs procedures to a 'One-Stop' or a single paperless custom clearance process, Pakistan authorities have launched WeBOC. This system is used for inland transshipment and for transit trade under APTTA. According to the World Bank the number of documents required by Pakistan for cross-border trade has been reduced. Pakistan's cross-border trade ranking is high when compared to the CARs.	The USAID Trade Project is conducting a gap analysis of Pakistan Customs laws and regulations vis-à-vis the provisions of the World Customs Organization's Revised Kyoto Convention with the support of a local law firm and the Federal Board of Revenue.
5. Measures Related to Movement of Goods			
5.1	Carriage of Goods by Road Transport (Annex-VI, Article 1) (Article 27) The international carriage of goods by road transport among the Contracting Parties of the ECO-TTFA shall be implemented according to	Pakistan has not yet acceded to or ratified the CMR, 1956, and the Protocol to this Convention (Geneva, 1978). Under the NTTFC, Pakistan has also drafted multiple national	Pakistan has drafted the Carriage of Goods by Road Act/Bill 2011 that deals with domestic liability for goods in transport; however, it has not yet been approved or enacted.

#	ECO-TTFA Substantive Provisions	Existing Situation	Gaps and Recommended Actions
	CMR, 1956 and the Protocol to this Convention (Geneva, 1978).	<p>regulations²³ on the movement of freight, including the following:</p> <ol style="list-style-type: none"> 1. Carriage of Goods by Road Act/Bill 2011 2. Carriage of Goods by Rail Act 3. Multimodal Transport of Goods Act 4. Carriage of Goods by Sea Act/Bill 2010 5. Carriage by Air Act 2012 6. Sea Carriage Shipping Document Bill 2010 	As the government of Pakistan enters into bilateral and multilateral road transport agreements with neighboring countries, it will become increasingly necessary that Pakistan accede to the CMR Convention.
5.2	<p>Establishment of Custom Transit System (Article 28)</p> <p>Contracting Parties shall establish a Customs Transit System for the cargo and means of transport in accordance with the relevant International Customs Conventions for the purpose of facilitating the movement of goods in their territories.</p> <p>Contracting Parties, which are also parties to the Customs Convention on the International Transportation of Goods Under Cover of TIR Carnets, 1975, will apply the provisions of that Convention amongst themselves. Contracting Parties which are not yet parties to that Convention shall not be required to follow the provisions of that Convention.</p> <p>Contracting Parties which are not yet parties to this Convention will consider the possibility of acceding to this Convention.</p>	Pakistan has not acceded to or ratified the TIR Convention; most other ECO members have ratified this convention.	Pakistan's non-accession to TIR is one of the major impediments to Pakistan's transit trade. Pakistan needs to expedite accession to the TIR convention.

²³ NTTFC, "Standard Trading Conditions for Freight Forwarders" Legal Text (January 2005), <http://www.nttfc.org/standardTradingCon.asp#> (accessed May 25, 2014)

Annex 1: Conventions in ECO-TTFA

Convention on Road Traffic

The Convention on Road Traffic was signed in Vienna on November 8, 1968. The Convention pertains to facilitating international road traffic and improving road safety through adoption of uniform traffic rules. The Convention lays down the rules of the road and obligates the Contracting Parties to take appropriate measures to ensure that the rules of the road in force in their territories are in accordance with the rules stipulated in the Convention. The rules of the road provide detailed provisions that need to be followed including status of signs and signals, position of carriageway, overtaking and movement of traffic in lines, speed and distance of vehicles, change of direction, and loading of vehicles. The Convention also lays down conditions for drivers of motor vehicles and for admission of motor vehicles and trailers to international traffic.²⁴

Convention on Road Signs and Signals

The Convention on Road Signs and Signals was signed in Vienna on November 8, 1968. The Convention provides guidelines of the system of road signs, signals and symbols, and road markings that needs to be adopted by the Contracting Parties. The Agreement obligates the Contracting Parties to replace or supplement – within four years from the date of entry into force of this Convention in their territories – any sign or symbol that is used with a different meaning from that assigned to it in the convention. Similarly, Contracting Parties need to replace any sign or symbol that does not conform to the system prescribed in the Convention within fifteen years from the date of entry into force of this Convention in their territories. The system prescribed in the Convention differentiates between Danger warning signs, Regulatory signs and Informative signs, and stipulates provisions that address the regulations with respect to them.²⁵

Convention on the Contract for the International Carriage of Goods by Road (CMR)

The Convention on the Contract for the International Carriage of Goods by Road was established in Geneva on May 19, 1956. The Convention aims to standardize conditions governing the contract for the international carriage of goods by road, especially with respect to the documents used for such carriage. The contract for carriage is confirmed by a consignment note which is made out in three original copies signed by the sender and by the carrier.²⁶

Customs Convention on the International Transport of Goods Under Cover of TIR Carnets

Customs Convention on the International Transport of Goods under Cover of TIR Carnets was signed in Geneva on November 14, 1975. The TIR Convention facilitates the international carriage of goods by road vehicle. The Convention covers the transport of goods, in road vehicles, across one or more frontiers between the customs office of departure and the customs office of destination. Goods carried under TIR procedure are not subject to payment or deposit of import or export duties at Custom offices en route. The Convention also instructs that goods carried under TIR procedure should be in sealed containers meeting specified conditions and should not be subject to examination at offices en route.²⁷

²⁴ United Nations-Treaty Collection, “Convention on Road Traffic” (November 1968), Legal Text, <http://www.unece.org/fileadmin/DAM/trans/conventn/crt1968e.pdf> (accessed May 19, 2014)

²⁵ United Nations-Treaty Collection, “Convention on Road Signs & Signals” (November 1968), Legal Text, <http://www.unece.org/fileadmin/DAM/trans/conventn/signalse.pdf> (accessed May 19, 2014)

²⁶ Lex Mercatoria- Treaty Collection, “Convention on the Contract for the International Carriage of Goods by Road (CMR) (1956), Legal Text, <http://www.jus.uio.no/lm/un.cmr.road.carriage.contract.convention.1956/doc.html> (accessed May 19, 2014)

²⁷ United Nations-Treaty Collection, “Convention on Road TIR, Legal Text, Cited on May 3 2014, https://treaties.un.org/doc/Treaties/1978/03/19780320%2006-52%20AM/Ch_XI_A_16p.pdf (accessed May 19, 2014)

Convention on International Carriage by Rail²⁸

The Convention on International Carriage by Rail came into force on May 9, 1980. The objective of the convention is to develop uniform systems of law which apply to the carriage of passengers and freight through traffic by rail. The Convention applies in Europe, Asia and the Middle East. The Convention provides member states a framework for application of the majority of rules and regulations used under rail. These are mentioned in appendices to the Convention and include:²⁹

1. Uniform Rules concerning the Contract of International Carriage of Passengers by Rail
2. Uniform Rules concerning the Contract of International Carriage of Goods by Rail
3. Regulation concerning the International Carriage of Dangerous Goods by Rail
4. Uniform Rules concerning Contracts of Use of Vehicles in International Rail Traffic
5. Uniform Rules concerning the Contract of Use of Infrastructure in International Rail Traffic
6. Uniform Rules concerning the Validation of Technical Standards and the Adoption of Uniform Technical Prescriptions applicable to Railway Material intended to be used in International Traffic
7. Uniform Rules concerning the Technical Admission of Railway Material used in International Traffic

Convention on Facilitation of International Maritime Traffic³⁰

The Convention came into force on March 5, 1967, with the objective to prevent delays in maritime traffic, to aid cooperation between governments, and to secure the highest practicable degree of uniformity in formalities and other procedures. The purpose of the Convention is to facilitate maritime transport by reducing paperwork, and simplifying formalities, documentary requirements and procedures associated with the arrival, stay, and departure of ships engaged on international voyages. The Annex of the Convention contains "Standards" and "Recommended Practices" on formalities, documentary requirements, and procedures which should be applied on arrival, stay, and departure to the ship itself, and to its crew, passengers, baggage, and cargo.

²⁸ European Union, Treaties office, "Convention concerning International Carriage by Rail (COTIF) May 1980"

Legal Text,

<http://ec.europa.eu/world/agreements/prepareCreateTreatiesWorkspace/treatiesGeneralData.do?step=0&redirect=true&treatyId=5041> (accessed May 23, 2014)

²⁹ OTIF, "International organization for International Carriage by Rail (OTIF), September 2013, Legal Text,

http://www.otif.org/fileadmin/user_upload/otif_verlinkte_files/01_vorstellung/01_allg_info/OTIF_Info_09_2013_e.pdf (accessed May 23, 2014)

³⁰ International Maritime Organization, "Convention on Facilitation of International Maritime Traffic (FAL) 1967, Legal text, [http://www.imo.org/About/Conventions/ListOfConventions/Pages/Convention-on-Facilitation-of-International-Maritime-Traffic-\(FAL\).aspx](http://www.imo.org/About/Conventions/ListOfConventions/Pages/Convention-on-Facilitation-of-International-Maritime-Traffic-(FAL).aspx) (accessed May 24, 2014)